

[REDACTED]

Competition Policy Review

Thank you so much for the opportunity to express my concerns around competition. Below is an email I recently penned to the [REDACTED]. It is in regard to Council run Childcare Centres. [REDACTED]

[REDACTED] Council subsidises its two centres in [REDACTED] to the tune of \$700,000+ per year using rate payer's money (our money). This allows them to keep fees to a minimum and pay staff well above award wages. Parents of course like the lower fees and places in these centres are in high demand. The higher wages attract and retain the best educators in the industry.

If council are using rate payers fund (our money) to support childcare in the municipality then they should do so for ALL childcare places and ALL staff.

This current behaviour is anti-competitive and makes it difficult for private centres to compete.

Kind regards,
[REDACTED]

Dear Councillors and CEO,

[REDACTED]
[REDACTED] this email. I am available to meet with you and discuss this further at your request.

I attended the council meeting on Tuesday night and was pleased to see that Council will enter into open dialogue with key stakeholders in the Childcare Sector in [REDACTED]. I would like to ensure that this includes ALL interested parties including operators of other [REDACTED] Centres. [REDACTED] I wish to be a part of the independent review. Could you please ensure that I am provided this opportunity.

I'd like to start by posing some questions and making some statements.

- ALL Children and Educators in [REDACTED] should be supported equally by Council.
- Why does Council provide subsidies to only some of the Children attending childcare in the Municipality?
- Why does Council provide subsidies to only some of the Educators in the municipality (20% above award wages enabling these two Centers to attract and retain Educators)?
- If Councillors are serious about providing affordable childcare in [REDACTED] then this support should be provided to ALL families and children attending Childcare.

- If Councillors are serious about providing Educators with appropriate pay for the difficult role they perform then they should support ALL Educators.
- The [REDACTED] action group does not support ALL [REDACTED] children in or in-need of childcare, it supports the Children attending the two [REDACTED] subsidised Centers.
- The [REDACTED] action group does not support ALL [REDACTED] Childcare Educators, it supports the Educators in the two [REDACTED] subsidised Centers.
- If this action group was for fairness and equality for ALL [REDACTED] Children and Educators then it would be advocating for the appropriate levels of support for ALL Children and Educators.
- Council could retain ownership of the two [REDACTED] centers by removing subsidies and having the program fully funded by Fees (Just like every other Childcare center) – a win-win for Parents, Educators and rate payers.
- Council Centers are not funded to provide for the needy and / or disadvantaged...the funding should be re-directed to those in the Community that really do need our help.

I am not opposed to Council using rate payers funds to support those in need and the financially disadvantaged i.e. Meals on wheels etc.

However Childcare is a commercial business and funding is provided through government CCR and CCB rebates. In some cases up to 100% for families.

In one statement I have read it pointed out that private operators would be envious of what the council run centers have been able to achieve. Specifically pointing out salaries of the educators in these centers. And that the pay agreement allows the council run centers to attract and retain the best educators. And this is 100% true. However the only way these centers have been able to achieve this is through the use of rate payer subsidies [REDACTED]

[REDACTED] commercial childcare business in [REDACTED] burdened with approximately \$13,000 in rates per year while council childcare centers pay no rates. Add to this operational costs (payroll, accounts, rubbish collection, Administration etc.) which the council centers have covered by Council Administration, plus the approximate \$3000 per child subsidy provided by Council to children attending the Council run centers, [REDACTED]

I have no issue with Council running Childcare Centers. However the costs associated with these operations should be fully owned by these centers. If the community supports the above award wages and facilities that are provided then these costs should be covered by fees. This is exactly what ALL other operators are faced with. Having council select some centers to subsidise and advantage over others is unfair and in breach of the competition laws.

Those in desperate need of Childcare are supported by existing government funding. Council funding is a use of rate payer funds to subsidise Council Centers and this makes it difficult for other operators that are not receiving the same funding to remain competitive in fees and in attracting the best educators.

